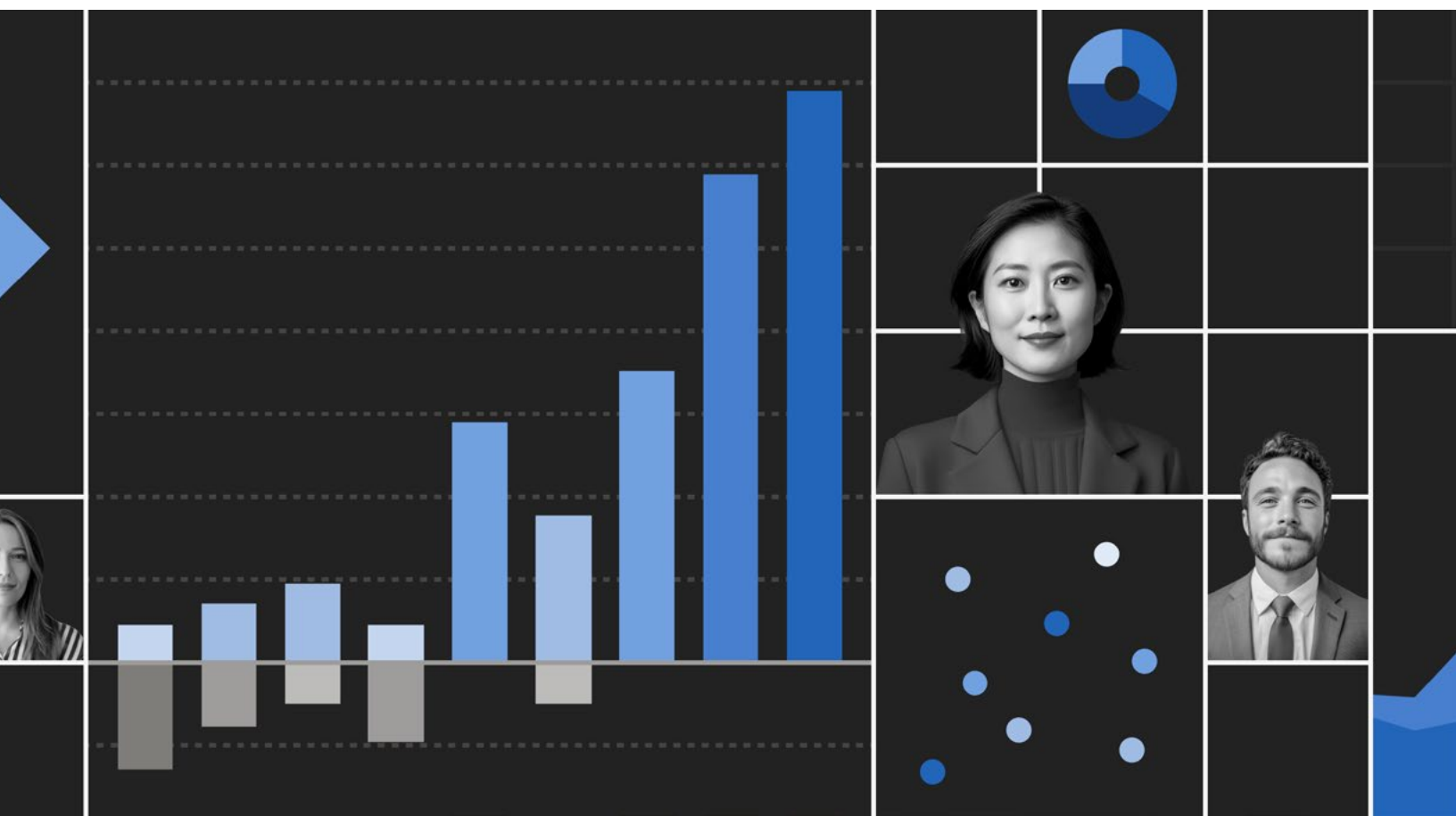


# How Can Advisers Turn Complexity into Clarity?

Four actionable tips to build client confidence, shaped by investor sentiment insights from our latest survey across the UK.



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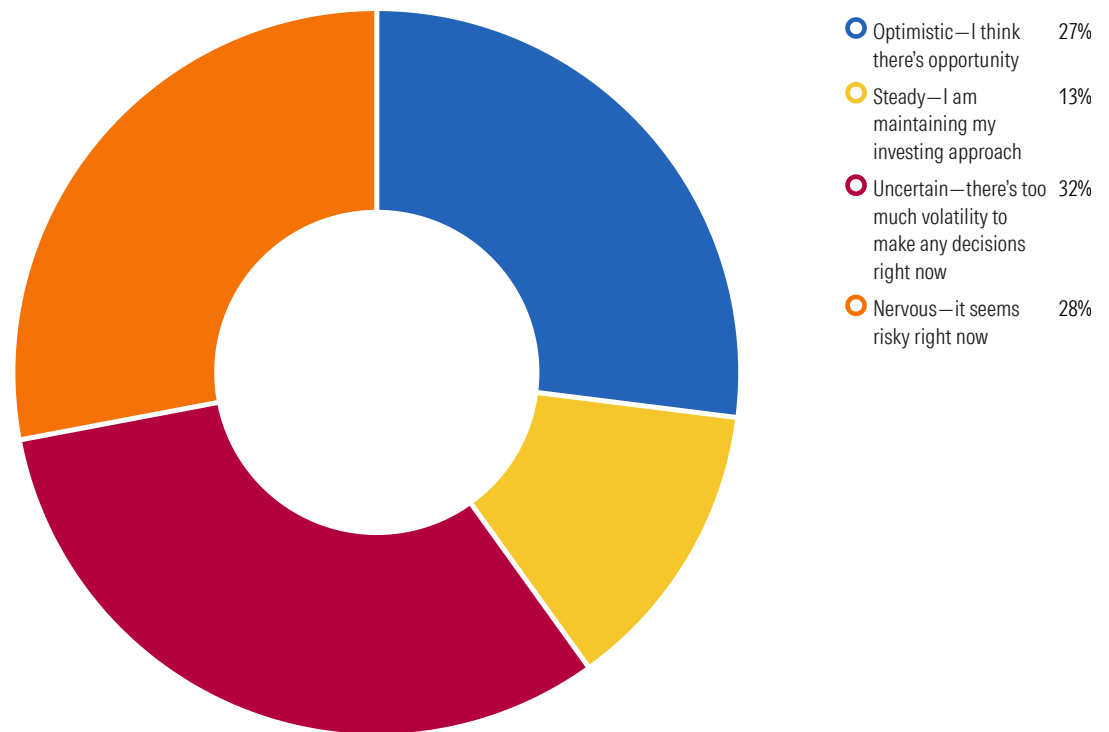
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## Executive Summary

Today's investors face a complex financial landscape shaped by information overload and market volatility. In the United Kingdom, 60% of investors reported feeling uncertain or nervous about the current market—that is, they think there's too much volatility to make any decisions or it seems risky right now.

Advisers play a critical role in cutting through this noise and providing support. But first, they must understand evolving investor expectations and what truly matters to clients.

### UK Investors' Feelings About the Market



Source: Morningstar. Data as of 2026.

In our *Morningstar Investor Perspectives: Retail Investor* survey, we see that it's no longer enough to simply offer financial advice—advisers must also meet their clients' emotional needs. This expectation is rising as innovations like private markets and artificial intelligence continue to redefine the industry, leading investors to seek clarity on how these developments may impact their long-term plans. Together, the conditions create a valuable opportunity for advisers to deliver transparent guidance that keeps investors focused on their goals.

By filtering out distractions and reinforcing client trust, advisers can empower investors to stay on track and make better decisions. Explore four actionable tips to help today's investors move forward with confidence.

## Methodology Overview

The *Morningstar Investor Perspectives: Retail Investor* survey provides unique insights on the wide-ranging attitudes, behaviours, and preferences of investors. Our findings were based on a total of 1,254 online responses collected across the UK between 3 March and 30 March 2026.

Participants were recruited from a nationwide panel with strong representation across age, gender, ethnicity, household income, employment status, and investable assets. The large and diverse sample allowed us to gather information from different subgroups and deepen our analysis and insights.

### Deliver Emotional Value to Shape Investor Sentiment

Key considerations like geopolitical risks and inflation are rapidly transforming the UK market environment, often leaving investors unsure about when and how to act. As mentioned above, 60% of total participants reported feeling uncertain or nervous about the current market.

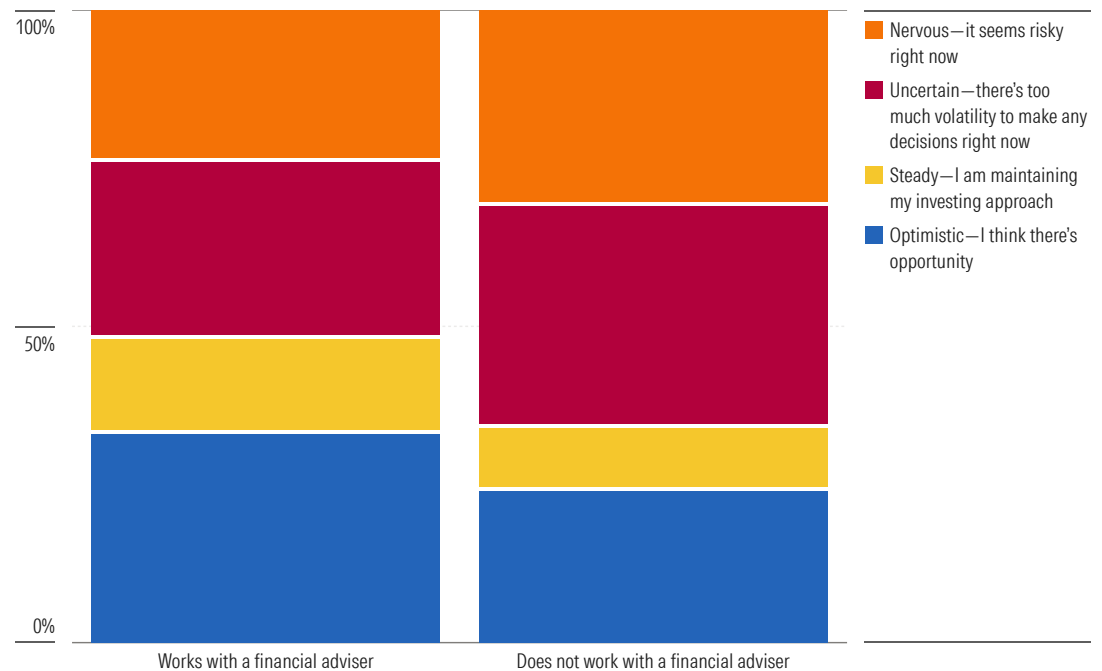
So, what are the factors behind this market anxiety? Investors are most worried about:

- ▶ Geopolitical tensions (38%)
- ▶ Market volatility (37%)
- ▶ Inflation (35%)

Inflation stands out as the top economic concern across all surveyed regions—Australia, Canada, the UK, and the US—with 71% of UK investors saying they're extremely or somewhat concerned. This underscores the importance of education as well as guiding conversations back to clients' long-term goals.

Advisers can also positively impact investor sentiment: Our survey finds that individuals who work with an adviser feel more optimistic and steady about the market than those without one (48% compared with 34%). In other words, financial advisers can provide value by offering support, both emotionally and financially, and reassurance that investors may lack on their own.

How UK Investors Feel About the Market With vs. Without an Adviser



Source: Morningstar. Data as of 2026.

This is further supported with how investors inform their investment strategies. In addition to relying on financial advisers (21%), participants turn to friends and family (34%) and internet searches or other websites (33%). Seventeen percent of investors now use AI, a striking increase from 8% in 2024.

Participants not only view financial advisers as a key information source but also the most valuable (89%). Still, a gap between usage and perceived value is evident: UK investors rate an accountant or tax adviser (80%) and investment or trading platforms/websites (74%) among the most valuable sources of financial information, despite using them less frequently. The finding suggests that while informal sources may be convenient, investors still place greater weight on human judgment and expertise.

Even with these sources available, investors continue to face challenges in making investment decisions.

Key investment decision obstacles include:

- ▶ Fear of making a mistake or losing money (36%)
- ▶ Market volatility (33%)
- ▶ Unclear fees, costs, or tax implications (25%)
- ▶ Difficulty knowing which information or sources to trust (22%)

It's worth noting from this list that twenty-four percent of investors ranked difficulty knowing which information or sources to trust as a top obstacle. Yet at the same time, more than half (56%) of investors say they're confident in their ability to separate clear or accurate investment information from confusing or misleading information.

This pattern emphasizes a significant distinction between trust and confidence.

That is, even though some investors struggle to identify credible information—pointing to a trust gap—others feel certain in their judgment despite rising complexity, signaling a confidence issue. With AI-powered investing content expanding, this challenge is likely to intensify.

89%

Percentage of UK investors who work with financial advisers and consider them a valuable source for informing their investment strategy.

For advisers, the confident investors tend to be the more challenging audience. Those who acknowledge uncertainty generally welcome guidance, while confident clients may be more resistant to having their views challenged.

The opportunity lies in reframing conversations away from whether information is “right” and toward how it's evaluated. Shifting the focus to the decision-making process rather than the outcome is where advisers can offer genuine support that extends beyond the portfolio.

To better manage client emotions and concerns, advisers can start by:

- ▶ Providing behavioural coaching that helps investors stay grounded
- ▶ Maintaining proactive and frequent communication
- ▶ Adding clear context around investment decisions

### **Address Knowledge Gaps in Private Markets**

The rise of private markets has been one of the most significant developments in capital markets. As of April 2026, 1,643 private companies worldwide qualified as “unicorns,” meaning their valuations exceeded \$1 billion.

This growth highlights the expanding role of private investments in portfolios and points to an opportunity for advisers to provide guidance on where and how the exposure potentially fits into clients' goals.

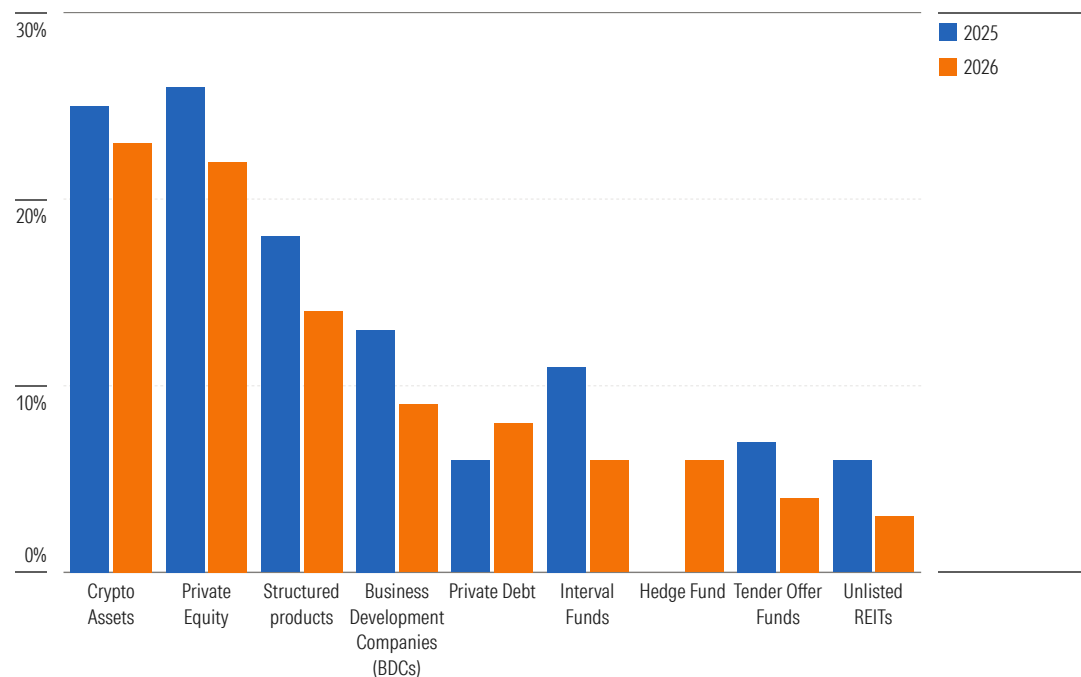
Despite these possibilities, just more than half (51%) understand or have a general idea of how private markets work. Meanwhile, 52% don't invest in alternatives at all. If limited investor knowledge is a major obstacle, advisers can start the education process by explaining how private market exposure shows up in clients' portfolios and what it means for their strategies.

# 52%

Percentage of UK investors who don't invest in alternatives at all.

Although 52% of participants don't invest in alternatives, the remaining 48% who do are shifting the types—or at least the variety of types—they own. As with [US investors](#) (28%), cryptocurrency is the most widely held alternative for UK participants (23%). Private equity ownership decreased by 4% (22% in 2026 compared with 26% in 2025) while private debt saw a 2% increase (8% in 2026 compared with 6% in 2025).

Alternative Investments Owned by UK Investors



Source: Morningstar. Data as of 2026.

Together, these trends suggest that investors aren't opting out of alternatives but are becoming more selective as they assess what investments are the best fit for their situation. They're also managing possible concerns around risk, liquidity, and transparency.

This behaviour is further underscored by a potential mismatch in time horizons: While [our framework](#) recommends holding alternatives for at least 10 years, most participants (41%) reported three years as the maximum investment time where they feel comfortable.

Investable asset levels matter as well. Those with more than GBP 100,000 are more likely to be comfortable beyond five years than those below this threshold.

While private markets continue to attract attention, they're not the only area seeing growing investor interest: Exchange-traded funds are experiencing momentum across the UK—the [European ETF market](#) had its strongest start to a year in nearly three decades with flows totaling EUR 49.7 billion in February 2026. Reflecting these broader trends, our survey revealed ETFs are steadily increasing in usage with 19% of participants owning ETFs in 2026, up from 15% in 2025 and 13% in 2024.

When advisers educate clients on how ETFs may fit into their strategies, it can be easier to ensure allocations align with their risk tolerance and goals. Advisers can also use our [Morningstar Medalist Rating](#) to identify high-quality ETFs likely to outperform over a full market cycle.

Advisers may improve investors' understanding of alternatives by:

- ▶ Offering thorough education around private markets
- ▶ Setting realistic expectations for investment performance
- ▶ Tailoring asset allocations to align with clients' goals and [risk tolerance](#)

### **Emphasize Human Judgement as AI Adoption Grows**

AI is becoming a more familiar part of the investment process for UK participants. Forty-five percent stated high trust in the tool to help make investment decisions in 2026—a significant increase from 29% in 2024 and the highest level of trust across surveyed regions. While 27% still cited low trust, this is down from 38% in 2024, suggesting that investors are growing open to the idea of AI regardless of their trust level.

Key reasons for low trust included general skepticism, reluctance, and personalization barriers (48%) followed by reliability and performance (38%), and user control along with human oversight (18%). This order aligns with [Canadian investors](#), implying that investors in both regions tend to think about AI in similar ways, with initial emotional concerns outweighing more technical considerations.

Top factors that high-trust investors prioritize to determine their trust in an AI tool include:

- ▶ Demonstrable evidence and social proof (40%)
- ▶ [Reliability](#), performance, and limits (28%)
- ▶ Practical utility and usability (17%)

Although trust in AI among retail investors is rising, usage tells a different story.

Only 2% of US participants rely on AI for most investment decisions, while most (68%) do not use AI for investment decisions at this point. This pattern holds across generations. The disconnect is seen in all surveyed regions, pointing to where advisers should pay closest attention.

What advisers may be missing is that the key challenge isn't only skepticism, but an uncertainty around how to apply AI in practice. Even millennials, who reported the highest trust in AI (60%), use it primarily as a supporting tool (45%). This signals that the issue is guidance rather than belief in the abilities of AI.

That's where advisers play a critical role—not by pushing AI adoption, but by modelling responsible, human-guided use. Until then, investors' confidence is likely to remain theoretical rather than actionable.

45%

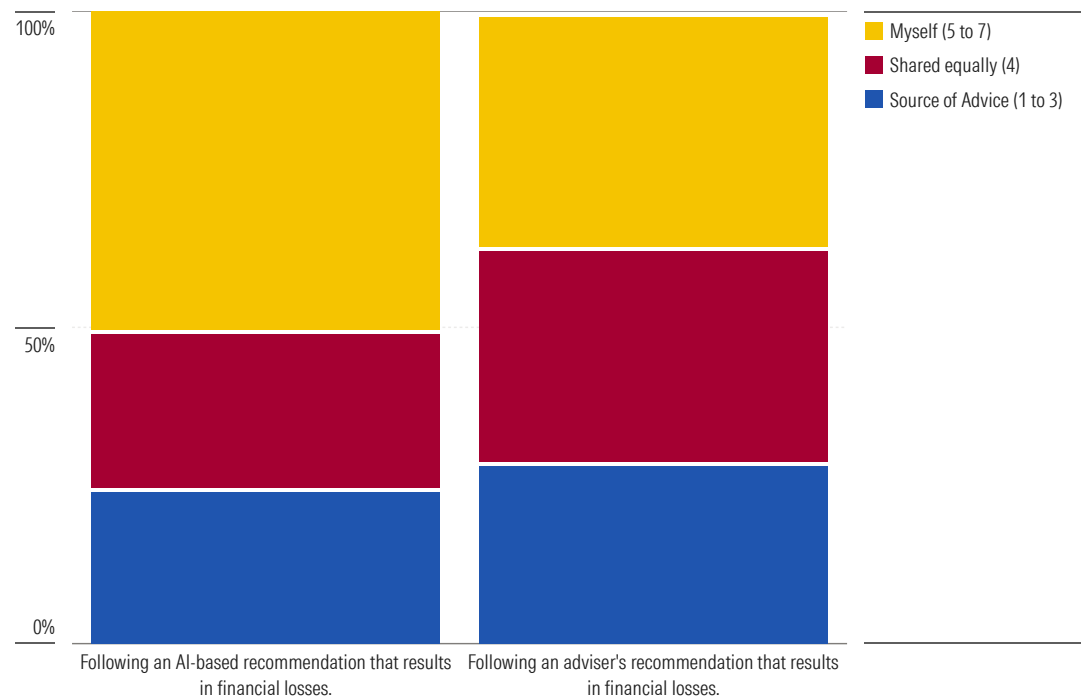
Percentage of UK investors who highly trust AI to help make decisions.

But UK investors who use AI may still prefer to keep it at a distance. Interestingly, more than half (51%) of investors believe that the primary responsibility lies with themselves versus with the AI (24%) when acting on an AI-based investment recommendation that results in financial losses.

Conversely, when choosing to follow a human financial adviser's recommendation, investors reported the responsibility primarily lies more evenly split between themselves (37%), a human adviser (28%), or both parties equally (34%).

This implies that investors view AI as a tool instead of an authority and that they still place deeper trust in human judgement—both their own and an adviser—than technology. Advisers can validate their position as a reliable partner by differentiating themselves through human strengths like empathy, emotional support, and deep client conversations.

Where UK Investors Believe Responsibility Lies for AI vs. Adviser Recommendations



Source: Morningstar. Data as of 2026.

To help close investors' AI trust-usage gap, advisers can take actions such as:

- ▶ Translating AI insights into clear, contextual guidance
- ▶ Grounding decisions in human judgement and accountability
- ▶ Acknowledging AI limitations while meeting investors' expectations for human interaction

### Focus on Long-Term Investing

With constant distractions coming from seemingly every direction, UK investors may struggle to stay focused—making long-term planning and investing feel even more distant and unattainable.

Despite these challenges, 67% of investors see long-term investing appealing due to financial security, stability, and inflation hedging (24%), long-term growth potential (18%), and wealth accumulation (15%). Australian investors reported the same themes, but in a different order, suggesting shared motivations expressed through different regional priorities.

In other words, many investors are interested in long-term investing but might have trouble staying confident in sustaining it over time.

Those who find long-term investing challenging most often point to factors like:

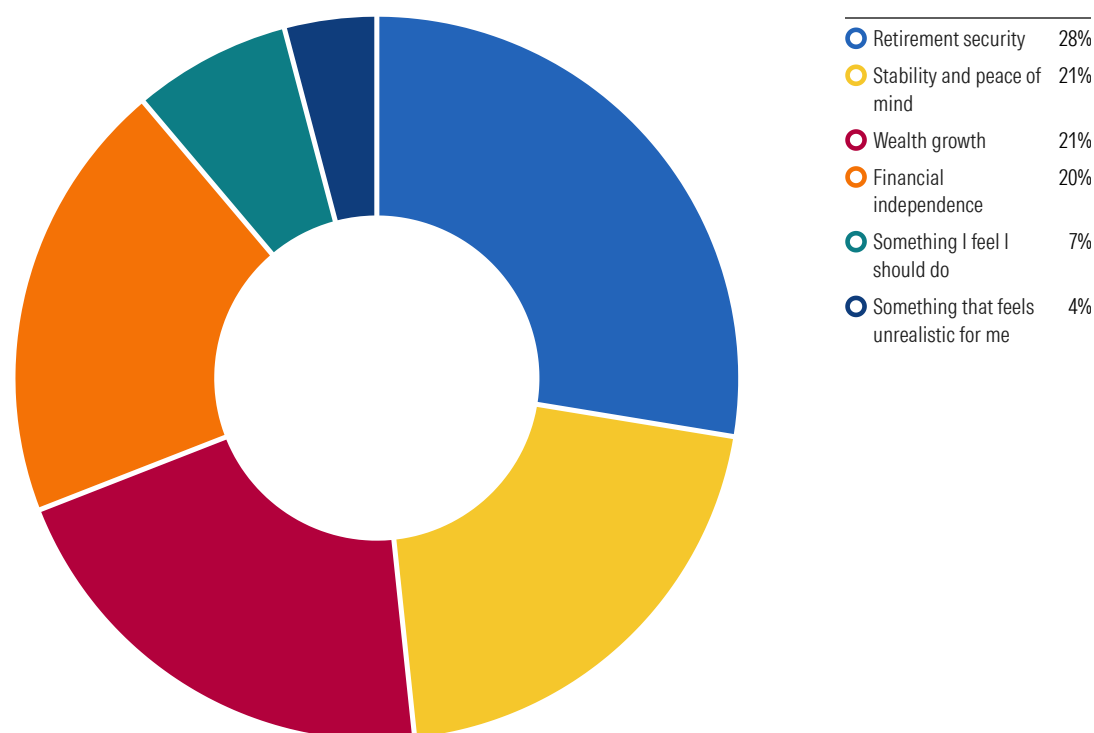
- ▶ Emotional barriers and risk aversion (19%)
- ▶ Limited disposable income (17%)
- ▶ Uncertainty about future returns and outcome (16%)

Yet 27% expressed that a more stable financial situation would increase their long-term investing commitment. This is the top driver across all surveyed regions, underscoring that investors' personal financial stability and broader market sentiment are major considerations in long-term decision-making.

UK participants also note the value of tools in maintaining focus, specifically naming goal-tracking dashboards (41%) as the most helpful approach. By incorporating practical tools into the advice process, advisers can make progress more visible and keep clients better engaged.

Definitions of long-term investing vary for UK investors as well. The most common long-term goals are retirement security (28%) followed by stability and peace of mind (21%), and wealth growth (21%). The range of definitions shows how investors think about long-term investing through their own financial context, giving advisers more guidance to align expectations and deepen client relationships.

What Long-Term Investing Means to UK Investors



Source: Morningstar. Data as of 2026.

Generational and investable-asset differences further influence participants' views: Although Generation Z and millennials think of long-term investing as financial independence (27% and 26%) or wealth growth (27% and 24%), Generation X and baby boomers align on it being around retirement security (41% and 43%).

Participants with higher investable assets tend to associate long-term investing with wealth growth (42%) while those with lower investable assets view it as retirement security (27%). These findings highlight the need for advisers to produce advice that's tailored to clients' life stages, financial circumstances, and goals instead of a one-size-fits-all approach.

Even so, 64% of investors overall agree that long-term investing success is mostly within their control. This sense of accountability is consistent across age groups, as more than half of each generation agrees—UK millennials most of all (72%).

# 64%

Percentage of UK investors who agree that long-term investing success is mostly within their control.

Beliefs around control may also depend on investable asset levels. Although more than half of all participants across asset levels agree that long-term investing is within their control, confidence is notably higher among investors with greater investable assets. Eighty-three percent of this group agreed, compared with 59% of those with lower investable assets. This suggests that perceived control increases with financial flexibility.

Advisers may encourage long-term investing through approaches like:

- ▶ Anchoring discussions in investing fundamentals rather than short-term trends
- ▶ Connecting long-term plans with success metrics for tracking progress
- ▶ Managing investor concerns to keep clients invested over time

### Key Takeaways

- ▶ **Investor sentiment:** UK investors who work with an adviser are more likely to feel optimistic and steady about the market than those without one (48% compared with 34%).
- ▶ **Private markets:** As attention to private markets grows, understanding among investors is still low—roughly one-fifth (18%) say they understand how they work and less than one quarter (22%) currently own private credit and/or private equity.
- ▶ **AI influence:** AI is seen as a tool rather than an authority, implying deeper trust in human judgment: When AI-based recommendations go wrong, participants most often blame themselves (51%) while responsibility for adviser-led losses is more evenly split between themselves (37%), a human adviser (28%), or both equally (34%).

### Ready to Deliver Better Guidance?

Financial advisers can make a meaningful impact at every stage of an individual's investing journey. From offering tailored solutions to meeting emotional needs, advisers are uniquely positioned to bring real transparency and value as financial choices and markets evolve.

This impact extends even beyond today's investors to those who are considering getting started in investing. According to our research, 16% of UK non-investors say they're likely to begin investing in the next three years.

What would boost their confidence to take action? Participants responded that clear explanations of different investment options (40%) and guidance on how to assess risk tolerance (30%) would be most helpful.

Advisers can make the path more accessible for non-investors by:

- ▶ Simplifying investment decisions and clearly outlining next steps
- ▶ Identifying clients' risk tolerance to tailor strategies accordingly
- ▶ Addressing emotional concerns and proactively communicating

To stand out from the competition and provide reliable solutions, it's more important than ever for advisers to translate uncertainty into practical insights.

Explore behavioural finance insights to better understand the psychology behind clients' investment questions and decisions, potentially leading to stronger client relationships.

Want more research insights? Access the latest strategies and priorities of peers, including how they're responding to trends and what they're focusing on to be successful in the long term.